

June 23, 2004 City Council Meeting

Call to order at 7:00

Roll Call: Lou, Wayne, Martha, Becky, Sandy and Tim

Minutes from previous meeting were read, amended and accepted as amended.

No public comment on non-agenda items.

Sandy introduces Bill Rolfstein, Joann Roomsberg and Peter McKay. They are here to help answer any tax questions.

#### PUBLIC COMMENT ON SALES TAX:

Bruce Tedtsen has concerns on the tax due date, feels as if the middle of the month is cutting it short for those that need to file taxes. Suggests sales tax is due the last day of the preceding month. Bruce also suggests a cap on large items.

Jim Martell asks if there will be taxes on services.

Richard Sirstad asks if there will be tax on meals, when prepared at the Annie Mae and all proceeds go to the school.

Joann answered that question with the statement that the school would not be taxed.

Whit Weaver an agent for Caldwell Banker and Morgan Deboer have concerns on tax on real estate and both suggest that there is a tax on the commission only and that there should be a cap.

Mike Olney asks about buying fish and then serving it to customers, which transaction will have the tax.

Joann explained about the tax exemption on resale of goods, so there will be no double taxing.

It was explained to Bruce Tedtsen that a certificate for resale would be issued to those that qualify.

At this time Sandy explained the registration packet that each business would receive. Also that the City Clerk would be going around and personally contacting business' that have an Alaska Business license. There will be no charge for registration for existing business. The question was asked if a business does not have an Alaskan Business License if they will still be able to register with the City of Gustavus and it was stated that this would be allowed.

Kim Ney asked if there would be tax on trash.

Letter was read from Thomas Imboden. He suggested on section 4.15.040 paragraph D that other allied health practioners licensed with the State of Alaska be added. Also on paragraph E include descriptions *prescriptions*.

Letter was read from Kathy Leary. She also had questions and suggestions on section 4.15.040 paragraph C has a loophole and is too broad, needs to be narrowed down and require an order. Also that a business needs to keep shipping documents. Paragraph M must be made through postal and shipping documents.

Many questions were presented about services performed inside and outside the city of Gustavus. It was suggested that a taxed amount should be the portion of service performed in the city. Questions arose to what portion to tax and one person said this was nit picking. There should be a guideline.

Wayne said that this should be made as simple as possible. The city council should look into Homer and Ketchikan's ordinance

Tim made a motion and it was carried that the city council will have a work session on Wednesday the 30<sup>th</sup>.

#### PUBLIC COMMENT ON BED TAX:

Eldon Wilson has a question in reference to section 04.14.031 on daily and monthly rentals. It was explained that rentals that are shorter than thirty days would be charged a bed tax of 4% and longer than thirty days would be charged a sales tax of 2%. Eldon was satisfied with answer.

Julia Rosobourough has questions on monthly tax. It was explained that we would have monthly tax to begin with and quarterly later on.

Letter was read from Jack Lesh.

Letter was read by Roy who was representing Sandy Burd. A question arose concerning the deposit on rentals. Sandy explained that there would be no tax on deposits. Also that there needs to be more clarity for B&B's. The Bed tax ordinance does not address B&B's at all and this needs to be added into the bed tax ordinance.

Letter was read from Diane Klawunder. Stated that the city council needs to be careful about exemptions.

Wayne made the motion and Lou seconded to accept the public comment. Motion passed.

New Business:

Liquor License transfer from Goldbelt to Aramark.

Comments were made from several people about Aramark working with Huna Totem. Also it was suggested that the city get the liquor license and lease it to Aramark.

Wayne said they do have a catering license that allows them to serve liquor. Also they are the largest money maker in town and that we should look into what the issues are and help the process to move forward.

Lou calls for a motion to relax, to get out of formal session. Then he asks the question of what is the problem with the liquor license transfer, it was stated that Goldbelt has some debt in town but on the whole it does not affect the City of Gustavus. Motion is made to go back into formal session.

Tim makes a motion and Wayne seconds that there is no opposition to the liquor license transfer. Motion is passed.

Wayne speaks on the forest receipts and that there are x amount of roads and x amount of money for road maintenance. It has been stated that there are 23.2 miles of road. It needs to be determined what roads the city will maintain. Wayne is asking for volunteers to help on the road situation. The filing period for forest receipts is July 1<sup>st</sup> to August 15<sup>th</sup>. Then the money is available in December.

City has requested from the National Park a formula of maintenance cost per mile.

Becky has suggested that she phase out of her job as Ben phases in. She has requested that she keep the books until July 20<sup>th</sup>. Wayne makes a motion and Tim seconds to have Becky implement her plan. Motion is passed.

Meeting is adjourned at 9:43.